

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

P-Appr

FROM:

EXTENSION

NO.

OL 1 1489

DATE

17 APR 1981

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1. Chief, Admin. Group, O/Compt
4E20 Headquarters

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3. D/Logistics

Building

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3. Jim:

I believe the endorsement on the attached responds fully to your request while at the same time affording the necessary protection to ensure that we don't get ourselves in trouble. We will defer to you to let us know at the beginning of each fiscal year what your best estimate is of the amount of MPA which will be used for stock replenishment based upon recent experience. It is conceivable that the [redacted] you asked for in the attached in the future could be somewhat higher (or even lower). We will be glad to provide a formal commitment to OL at the beginning of each year based on your estimate. Please give me a call if you have any difficulty with or comments on our endorsement.

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17 APR 1981

MEMORANDUM FOR: Chief, Administration Group, O/Compt

FROM: James H. McDonald
Director of LogisticsSUBJECT: Commitment of Materiel Procurement Allotment
to the Office of Logistics [redacted]REFERENCE: Memo for C/AG, O/Compt fr D/L dtd 20 Aug 80,
Subj: Payment for Lost, Stolen, or Damaged
Property (OL 0-3699, Compt 80-1276) [redacted]

1. Experience with the current Materiel Procurement Allotment/Property Requisitioning Authority (MPA/PRA) method of funding stock replenishment requisitions indicates that there are deficiencies in the procedure. Two primary areas of concern are the absence of an allowance for inflation, and a provision for increasing stock levels which may be necessitated by extended procurement lead times. As a result, we find it necessary to expend more MPA than is normally available through PRA encumbrances for stock issues. It is not unusual to have a monthly deficit of between [redacted] in MPA during the first three quarters of a fiscal year. During the fourth quarter, past issues and replenishments are balanced on a dollar-for-dollar basis as are all the other transactions for the remainder of the fiscal year. [redacted]

2. MPA stock replenishment expenditures were [redacted] in FY 1978 [redacted] in FY 1979, and [redacted] in FY 1980. While, in each of these fiscal years, deficits were incurred throughout the year, the expenditures were eventually offset by PRA encumbrances or by additional MPA provided by the Comptroller. However, in the interim, inflation made it necessary to eliminate some stock items and to reduce the stock levels of many other commonly used items. This, in turn, also made it necessary to replenish stocks more frequently and to divert a larger number of customer requests to open market procurement. [redacted]

3. In view of the above, it is requested that the Comptroller provide the Office of Logistics (OL) with a commitment each

[redacted]

OL 1 1489

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SUBJECT: Commitment of Materiel Procurement Allotment to the Office of Logistics

25X1 fiscal year of [] in MPA for stock replenishments. Any expenditures for replenishments in excess of this commitment will require the approval of your office on a case-by-case basis or will be covered by issues from stock (PRA encumbrances) and the subsequent recapture of MPA for replenishments. The purpose of the advance commitment is to insure the availability of a given amount of MPA for stock replenishments at the beginning of each fiscal year. In order to cope with the pressures of inflation and to allow for any increases in stock levels or the addition of new items to the inventory, it is also recommended that you consider making available to OL a part of any unused Agency MPA near the end of the fiscal year. The adoption of the arrangements discussed would afford OL the following benefits: []

25X1 a. Negotiate long-range purchases with scheduled incremental deliveries. []

25X1 b. Realize greater cost savings through quantity purchases. []

25X1 c. Reduction in administrative workload, i.e., personnel time, computer time, paperwork, files, etc []

25X1 d. Decrease the number of contracts/purchase orders to be negotiated by the Procurement Division. []

25X1 e. Minimize the number of contracts and/or purchase orders to be administered and paid by the Office of Finance. []

25X1 f. Enhance service to customers by stocking items for which there are repetitive demands. []

25X1 4. Recently the Comptroller authorized the Single Transportation Allotment to be charged for the replacement of lost, damaged, or stolen property (see reference). With this recent policy and the implementation of the recommendations made in paragraph 3 above, we will be able to eliminate the current OL practice of adding a five percent surcharge to all stock items. []

5. Our plan is to improve the supply support effectiveness. The consignment of MPA to OL at the beginning of each fiscal year

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SUBJECT: Commitment of Materiel Procurement Allotment to the
Office of Logistics

will help in this effort. I would appreciate your early and
favorable consideration of this request. Our ability to
manage Agency stocks could be significantly improved if this
policy is adopted.

25X1
25X1

James H. McDonald

Attachment:
Ref

APPROVED: *

25X1

6 MAY 1981

Chief, Administration Group, O/Compt

Date

Distribution:

Orig - Return to OL/SD (Official)
1 - C/AG/O-Compt

* Subject to the condition that not more than 80% of the MPA funds committed for stock replenishment are obligated during the first three quarters of the year, with authorization of the remaining 20% to be based on a brief report from OL in early July which relates the aggregate of stock issues during the first nine months of the year to the total obligated for stock replenishment. As in the past, this office will continue to consider making unused MPA available for stock replenishment at the end of each fiscal year.

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8-5000

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

~~Payment for Lost, Stolen, or Damaged Property~~

FROM:

Director of Logistics,
[] Building

EXTENSION

NO.

OL 0 3699

DATE

20 AUG 1980

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Chief, Admin. Group, O/Compt
4E20 Headquarters

8/21/80

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3. D/Logistics

[] Building

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lets discuss

FORM 1-79 610 USE PREVIOUS EDITIONS

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20 AUG 1980

MEMORANDUM FOR: Chief, Administration Group, O/Compt

FROM: James H. McDonald
Director of Logistics

SUBJECT: Payment for Lost, Stolen, or Damaged Property

1. This Office is in the process of rewriting Headquarters Regulation Supply Operations. Among the issues to be addressed in the regulation update is a policy for dealing with the replacement of lost, damaged, or stolen official property. Since the U.S. Government is self-insuring, there is a question as to which office within the Agency has to come up with the money.

2. Property falling into this category has, heretofore, not been of major concern since the losses have been relatively small. However, the high cost of procuring technical equipment and systems and the modes of transportation used to ship these materials increase the possibility that the losses could be significant. The cost of repairs to two SKYLINK terminals damaged while in storage awaiting shipment is estimated at approximately \$100,000. A loss such as this could have a significant negative impact on the Office of Logistics' (OL) budget if we are required to replace the equipment. There is no way that OL can realistically estimate an annual budget for replacement costs, nor do we believe it is realistic to expect OL to come up with the money from its own resources.

3. So that the Agency might have a clearly defined position on this issue, we recommend the following considerations:

a. The Single Transportation Allotment should be redefined to include replacement for lost, stolen, or damaged property once the material is placed in an in-transit status. In-transit is understood to cover from the time the material is released from stock to the time it is physically received and accepted at destination.

b. The Comptroller would provide OL with unfunded PRA as required for replacement of this equipment. This appears to be how the SKYLINK terminal losses will be resolved.

c. The requisitioning office will be required to budget for replacement costs. Our customers would probably resist this approach since they would have

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25X1 SUBJECT: Payment for Lost, Stolen, or Damaged Property [redacted]

25X1 already paid for the equipment once before. Further, they have no way of estimating how much money would be needed in a fiscal year for this purpose. [redacted]

25X1 d. OL would budget for replacement costs in each fiscal year. In this case, we would be faced with the same dilemma of determining how much to budget. [redacted]

25X1 4. We believe Recommendation a offers a clearly defined policy, and we request your approval to incorporate such a proposal into [redacted]. The cost of replacing or repairing an item prior to issuing it from stock will continue to be the responsibility of the cognizant office. Please contact me or [redacted] if we can provide you with any further information on this matter. [redacted]

James H. McDonald

25X1 APPROVED: *

[redacted]

Chief, Administration Group, O/Compt

25 MAR 1981

Date

Distribution:

Orig - Return to OL/SD/SMB (Official)

1 - C/AG/O/Compt

* With the understanding that the Office of Logistics be prepared to provide upon request and at the end of each fiscal year, the total amount obligated for lost, stolen, or damaged property.

ROUTING AND TRANSMITTAL SLIP

Date

4 December 80

TO: (Name, office symbol, room number, building, Agency/Post)

Initials

Date

1. O-DL FYI

pf

12-9-80

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3. OL/SD

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Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

According to Compt/Registry, the attached memo has not been signed by and is still pending. Returning to OL/SD for their followup, since it is so old--20 Aug 80.



DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

OL/Registry

Phone No.

5041-102

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

☆ U. S. GPO: 1978-0-261-647 3354

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Next 1 Page(s) In Document Denied

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

C/SMB/SD/OL

EXTENSION

NO.

OL 1 1489

DATE

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Chief, Supply Division

H/H

W

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3. Director of Logistics

15 APR 1961

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The attachment contains a recommendation that OL be provided with a commitment of Materiel Procurement Allotment (MPA) for stock replenishment requisitions at the beginning of each fiscal year. It is believed that this is a more realistic way to do business. If approved, the policy will provide the leeway necessary for OL to manage stocks more effectively and efficiently.

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